

Office of Regulatory Management

Economic Review Form

Agency name	Marine Resources Commission
Virginia Administrative Code (VAC) Chapter citation(s)	4 VAC 20-1270
VAC Chapter title(s)	Pertaining to Atlantic Menhaden
Action title	Establish the percentage Virginia receives of the coastwide total allowable catch per Addendum I to Amendment 3 of the Interstate Fishery Management Plan for Atlantic Menhaden
Date this document prepared	January 23, 2023

Cost Benefit Analysis

Table 1a must be completed for all actions. Tables 1b and 1c must be completed for actions where the agency is exercising discretion, but are not needed if all changes are required by state or federal law or regulation. Delete 1b and 1c if they are not applicable, and include a statement that all changes are mandated.

- (1) **Direct Costs & Benefits:** Identify all specific, direct economic impacts (costs and/or benefits), anticipated to result from the regulatory change. (A direct impact is one that affects entities regulated by the agency and which directly results from the regulatory change itself, without any intervening steps or effects. For example, the direct impact of a regulatory fee change is the change in costs for these regulated entities.) When describing a particular economic impact, specify which new requirement or change in requirement creates the anticipated economic impact. Keep in mind that this is the proposed change versus the status quo. One bullet has been provided, add additional bullets as needed.
- (2) **Quantitative Factors:**
 - (a) Enter estimated dollar value of total (overall) direct costs described above.
 - (b) Enter estimated dollar value of total (overall) direct benefits described above.
 - (c) Enter the present value of the direct costs based on the worksheet.
 - (d) Enter the present value of the direct benefits based on the worksheet.
- (3) **Benefits-Costs Ratio:** Calculate d divided by c OR enter it from the worksheet.
- (4) **Net Benefit:** Calculate d minus c OR enter it from the worksheet.
- (5) **Indirect Costs & Benefits:** Identify all specific, indirect economic impacts (costs and/or benefits), anticipated to result from the regulatory change. (An indirect impact is one that results from responses to the regulatory change, but which are not directly required by the regulation. Indirect impacts of a regulatory fee change on regulated entities could include a change in the prices they charge, changes in their operating procedures or employment levels, or decisions to enter or exit the regulated profession or market. Indirect impacts also include responses by other entities that have close economic ties to the regulated entities, such as suppliers or partners.) If there are no indirect costs or benefits, include a specific statement to that effect.

- (6) Information Sources: Describe the sources of information used to determine the benefits and costs, including the source of the Quantitative Factors. If dollar amounts are not available, indicate why they are not.
- (7) Optional: Use this space to add any further information regarding the data provided in this table, including calculations, qualitative assessments, etc.

Table 1a: Costs and Benefits of the Proposed Changes (Primary Option)

(1) Direct Costs & Benefits	<p>The purpose of these amendments is to establish the percentage Virginia receives of the coastwide total allowable catch per Addendum I to Amendment 3 of the Interstate Fishery Management Plan for Atlantic Menhaden.</p> <p>Direct Costs: N/A Direct Benefits: N/A</p> <p>In 2019, the revenue for the total landings of the menhaden fishery in Virginia was \$26,922,000. The value of this fishery should overall remain unchanged as the landings are not being necessarily reduced or increased by this regulatory amendment. However, if the Commission does not implement this amendment, Virginia could be found out of compliance with Addendum I and a moratorium could be placed on Virginia’s menhaden fisheries.</p>		
(2) Quantitative Factors	Estimated Dollar Amount	Present Value	
Direct Costs	(a)	(c)	
Direct Benefits	(b)	(d)	
(3) Benefits-Costs Ratio	N/A	(4) Net Benefit	
(5) Indirect Costs & Benefits	<p>Indirect benefits:</p> <p>By implementing this amendment, Virginia will avoid being potentially found out of compliance with the Atlantic States Marine Fisheries Commission (ASMFC) and the provisions of Addendum I. This in turn will prevent a moratorium on all of Virginia’s menhaden fishery.</p>		
(6) Information Sources	<p>Virginia Fishing Economics: Economics from Fisheries Economics of the United States 2019 Economics and Sociocultural Status and Trends Series. NOAA 2019. https://media.fisheries.noaa.gov/2022-06/FEUS-2019-final.pdf</p>		

(7) Optional	
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(i) Title §28.2-201 which allows the MRC to establish fisheries regulation necessary to promote the general welfare of the seafood industry and to conserve and promote the seafood and marine resources of the Commonwealth. (ii) This amendment is mandated by the Atlantic States Marine Fisheries Commission (ASMFC). Failure to implement these provisions may lead to the ASMFC finding Virginia out of compliance with the implementation of Addendum I and therefore may lead to a moratorium on Virginia menhaden fishing by the Secretary of Commerce.

Impact on Local Partners

- (1) Describe the direct costs and benefits (as defined on page 1) for local partners in terms of real monetary costs and FTEs. Local partners include local or tribal governments, school divisions, or other local or regional authorities, boards, or commissions. If local partners are not affected, include a specific statement to that effect and a brief explanation of the rationale.
- (2) Quantitative Factors:
 - (a) Enter estimated dollar value of total (overall) direct costs described above.
 - (b) Enter estimated dollar value of total (overall) direct benefits described above.
- (3) Indirect Costs & Benefits: Describe any indirect benefits and costs (as defined on page 1) for local partners that are associated with all significant changes. If there are no indirect costs or benefits, include a specific statement to that effect.
- (4) Information Sources: describe the sources of information used to determine the benefits and costs, including the source of the Quantitative Factors. If dollar amounts are not available, indicate why they are not.
- (5) Assistance: Identify the amount and source of assistance provided for compliance in both funding and training or other technical implementation assistance.
- (6) Optional: Use this space to add any further information regarding the data provided in this table, including calculations, qualitative assessments, etc.

Note: If any of the above information was included in Table 1, use the same information here.

Table 2: Impact on Local Partners

(1) Direct Costs & Benefits	There are no direct costs or benefits for local partners.
(2) Quantitative Factors	Estimated Dollar Amount
Direct Costs	(a)
Direct Benefits	(b)

(3) Indirect Costs & Benefits	
(4) Information Sources	
(5) Assistance	
(6) Optional	

Economic Impacts on Families

- (1) Describe the direct costs and benefits (as defined on page 1) to a typical family of three (average family size in Virginia according to the U. S. Census) arising from any proposed regulatory changes that would affect the costs of food, energy, housing, transportation, healthcare, and education. If families are not affected, include a specific statement to that effect and a brief explanation of the rationale.
- (2) Quantitative Factors:
 - (a) Enter estimated dollar value of direct costs.
 - (b) Enter estimated dollar value of direct benefits.
- (3) Indirect Costs & Benefits: Describe any indirect costs and benefits (as defined on page 1) to a typical family of three that are most likely to result from the proposed changes.
- (4) Information Sources: describe the sources of information used to determine the benefits and costs, including the source of the Quantitative Factors. If dollar amounts are not available, indicate why not.
- (5) Optional: Use this space to add any further information regarding the data provided in this table, including calculations, qualitative assessments, etc.

Note: If any of the above information was included in Table 1, use the same information here.

Table 3: Impact on Families

(1) Direct Costs & Benefits	There will be no direct cost or benefit for the average family of three as the average family of three does not engage in the menhaden fishery.
(2) Quantitative Factors	Estimated Dollar Amount
Direct Costs	(a)

Direct Benefits	(b)
(3) Indirect Costs & Benefits	
(4) Information Sources	
(5) Optional	

Impacts on Small Businesses

- (1) Describe the direct costs and benefits (as defined on page 1) for small businesses. For purposes of this analysis, “small business” means the same as that term is defined in § 2.2-4007.1. If small businesses are not affected, include a specific statement to that effect and a brief explanation of the rationale.
- (2) Quantitative Factors:
 - (a) Enter estimated dollar value of direct costs.
 - (b) Enter estimated dollar value of direct benefits.
- (3) Indirect Costs & Benefits: Describe the indirect benefits and costs (as defined on page 1) for small businesses that are most likely to result from the proposed changes.
- (4) Alternatives: Add a qualitative discussion of any equally effective alternatives that would make the regulatory burden on small business more equitable compared to other affected business sectors, and how those alternatives were identified.
- (5) Information Sources: describe the sources of information used to determine the benefits and costs, including the source of the Quantitative Factors. If dollar amounts are not available, indicate why not.
- (6) Optional: Use this space to add any further information regarding the data provided in this table, including calculations, qualitative assessments, etc.

Note: If any of the above information was included in Table 1, use the same information here.

Table 4: Impact on Small Businesses

(1) Direct Costs & Benefits	There is no direct cost or benefit for small businesses.
(2) Quantitative Factors	Estimated Dollar Amount
Direct Costs	(a)

Direct Benefits	(b)
(3) Indirect Costs & Benefits	Small businesses may indirectly benefit from this regulatory change if there is an increase in landings for menhaden. In that case, there could be an increase in availability of bait for small businesses that process menhaden as bait and the reduction processing facility.
(4) Alternatives	
(5) Information Sources	
(6) Optional	

Changes to Number of Regulatory Requirements

For each individual VAC Chapter amended, repealed, or promulgated by this regulatory action, list (a) the initial requirement count, (b) the count of requirements that this regulatory package is adding, (c) the count of requirements that this regulatory package is reducing, (d) the net change in the number of requirements. This count should be based upon the text as written when this stage was presented for executive branch review. Five rows have been provided, add or delete rows as needed.

Table 5: Total Number of Requirements

Chapter number	Number of Requirements			
	Initial Count (Subsections)	Additions	Subtractions	Net Change
4 VAC 20-1270	48	0	0	0